

United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

OCT 18 2007

IN REPLY
REFER TO:

MP-241
PRJ-14.00

All Central Valley Project Water Contractors

Subject: Actions to Address Dam Safety Issues at B.F. Sisk Dam, Central Valley Project (CVP), California

Dear Ladies and Gentlemen:

Part of the Bureau of Reclamation's role in providing water and power is to assure the safety of the public potentially at risk due to dam failure. To accomplish this objective, Reclamation carries out dam safety activities to identify and evaluate potential risks to the public. When it becomes necessary to reduce risk, the Reclamation Safety of Dams Act provides authority to take action to protect the integrity of Reclamation dams and preserve water project benefits.

Through the Dam Safety Program, Reclamation has identified several conditions at B.F. Sisk Dam that require action to reduce risks.

- The dam is located in a seismically active area, very close to the Ortigalita Fault
- Studies and deformation analyses conducted during 2005 indicate that, during a major earthquake, crest settlement greater than freeboard, or cracking associated with embankment deformation, could occur and lead to dam failure
- Failure of the dam could inundate hundreds of square miles including the town of Santa Nella, about 7 miles of Interstate 5, and numerous farms and houses along the San Joaquin River including some areas of Stockton
- An independent consultant review board agreed with Reclamation that the calculated crest settlement is possible for the estimated peak ground accelerations associated with the Ortigalita Fault
- Reclamation has concluded that there is a need to initiate a Corrective Action Study to identify and evaluate risk reduction alternatives

There are several provisions of the Reclamation Safety of Dams Act of which you should be aware:

- The Secretary of the Interior is responsible for determining the need for risk reduction actions and selection of the actions to be implemented
- Any modifications performed may not provide new or additional benefits to the project
- Modifications are not to address reasonable and normal maintenance
- The cost of the modifications must be reimbursed. If the need for modification is due to a change in hydrologic, seismic, or the state-of-the-art conditions, the Act currently limits reimbursement to 15 percent of the total cost
- Reclamation must notify the project water beneficiaries of the need for risk reduction and explain the administrative and legal requirements
- Reclamation must provide opportunities for project beneficiaries to participate in development of plans for risk reduction actions

The process for selecting and implementing risk reduction action is focused on the objective of determining the least total cost alternative for achieving the risk reduction. The process includes the following activities:

- Identifying alternatives for consideration
- Gathering necessary data to develop feasibility designs, cost estimates, and estimates of potential risk reduction
- Developing appraisal level designs for several proposed alternatives
- Evaluating risk reduction effectiveness of proposed alternatives
- Conducting an economic analysis to support repayment negotiations
- Conducting an environmental analysis and identifying mitigation activities associated with the proposed modification
- Preparing a modification report to Congress (where construction costs exceed the authority granted to the Secretary by the Reclamation Safety of Dams Act)
- Preparing final designs and estimates
- Awarding a contract to make the necessary modifications to the dam
- Completing design and construction documentation

Proposed risk reduction actions will be subject to a number of administrative/legal processes including but not limited to the National Environmental Policy Act (NEPA) compliance, Endangered Species Act (ESA) consultation, cultural resources surveys, and repayment of project costs. Section 3 of the Reclamation Safety of Dams Act specifically prohibits the use of Safety of Dams funds for new or additional benefits. This potentially could include ESA mitigation activities required to obtain the permits necessary for the project. Any mitigation required as a result of ESA consultation will require a determination of the extent to which the mitigation is a direct result of the proposed risk reduction actions. While the provision in the Act does not relieve Reclamation of the responsibility to consult on ESA issues, it does limit Reclamation's authority to address such issues with Safety of Dams funding.

The Reclamation Safety of Dams Act requires repayment of certain reimbursable costs associated with the risk reduction. Reclamation will develop cost estimates as part of the preparation of a modification report. We will seek to enter into repayment negotiations with our water contractors to establish terms for repayment of the reimbursable portion of the costs in accordance with Reclamation law. If we are unable to sign a contract for reimbursement of costs, we will proceed with sending a bill upon a determination of substantial completion or consideration will be given to other alternatives for reducing the risk to the public.

During the process of developing and implementing a preferred risk reduction action, we invite you to participate in the process and share your thoughts and ideas for cost-effective means of achieving the required risk reduction. A Corrective Action Alternative Scoping (CAAS) meeting, which is a brain storming session to identify and evaluate corrective action alternatives, is planned for late 2007 or early 2008. If you have specific risk reduction alternatives that you would like to have considered in determining a preferred alternative we encourage you to submit these alternatives in writing for evaluation prior to the start of the CAAS meeting. We also will be inviting water user representatives to the CAAS meeting. If you are interested in participating in the CAAS meeting or if you would like to submit an alternative for consideration, please contact the project manager, Doug McElhinney, Bureau of Reclamation, MP-241, 2800 Cottage Way, Sacramento, CA 95825 (E-mail: dmcclhinney@mp.usbr.gov). Alternatives submitted prior to the CAAS meeting will be formally evaluated and displayed as alternatives in the modification report. Even if you do not have specific alternatives to be submitted, Reclamation will be providing you with periodic updates at key decision points to keep you informed of progress. We will also be providing you with periodic cost reports with information on safety of dams modification costs.

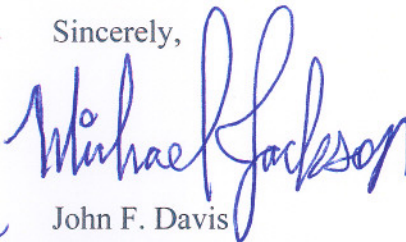

In an effort to better facilitate communication with the large number of CVP water contractors, Reclamation proposes that the following methods be used to disseminate information and receive feedback:

- Posting cost reports and project information at the Mid-Pacific Region Safety of Dams web page located at <http://www.usbr.gov/mp/sod/>. This web page should be functioning within the next month and would include technical information intended to be helpful in proposing alternatives

- Providing periodic briefings to the Central Valley Project Water Association Financial Affairs Committee meetings
- Establishing a small group of water user officials to review and receive documents, to participate in project briefings, and to represent and make available documents to other CVP water users. Interested water contractor officials should contact the Project Manager listed in the preceding paragraph

During the process of identifying and implementing preferred risk reduction actions, you may have access to information that is considered procurement sensitive. Inappropriate sharing of this information could have a significant adverse effect on the cost of contracts and the project. Sharing of procurement sensitive information may also disqualify certain individuals or organizations from participation in contracts to implement the risk reduction action. To assure the protection of this information, we may ask your staff or representatives to sign non-disclosure statements. B.F. Sisk Dam was designed and constructed, and is owned by Reclamation, and operated and maintained by the California Department of Water Resources. Assuring the safety of B.F. Sisk Dam is a key element of assuring that Reclamation continues to deliver the authorized benefits of the project. We look forward to your involvement in identifying and implementing action to reduce the identified risks at the dam. If you have any questions concerning the administrative/legal requirements or the current status of the project, please contact Doug McElhinney at 916-978-5225.

Sincerely,


 John F. Davis
Acting Regional Director

cc: Central Valley Project Water Contractors